GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:4246
ANSWERED ON:28.03.2017
Expansion of Dairy Industry
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether it is fact that the annual estimated income of dairy industry is approximately Rupees 4 lakh crore, if so, the facts thereof;
(b) whether there has been an annual growth of 5% in dairy industry over the last one year, if so, the details thereof;

(c) whether the mutual share of the big private houses, cooperative sector and micro industries in the dairy industry of the country has been assessed and if so, the details thereof;

(d) the details of the share of the dairy industry in annual GDP of the country;

(e) whether the dairy industry being a profit making industry, is likely to attract investment of Rs. 9000 to Rs.10000 crore during the next five years, if so, the details thereof;

(f) whether it is also a fact that dairy industry is likely to be expanded through value-added activities, if so, the response of the Government thereto; and

(g) the details of the expected increase/ growth in dairy industry after the value added activities?

Answer

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI SUDARSHAN BHAGAT)

(a)&(b) As per National Account Statistics Report, 2016, the value of output of milk at current prices was Rs.5,00,405 crore in 2014-15, while at constant prices (2011-12) it was 3,89,846 crore. As compared to last year, the growth in value of output of milk is about 7.4 percent at constant prices.

(c) As per National Dairy Development Board, it is estimated that out of total milk production 46% is consumed locally, and 54 % is marketable surplus. The share of organized sector in the total marketable surplus of milk is about 30%, while the balance 70% is handled by the unorganized sector. Of the total organized liquid milk market, the cooperatives and private dairy sector have almost equal share.

(d) The GDP estimates of milk industry are not available separately, although, the contribution of livestock sector to the country's GDP is about 4 percent. Also, the share of value of output of milk group in the total livestock sector is about 67%.

(e)&(f) Dairy is an important source of additional income for the farmers. Availability of milk processing facility and other infrastructure will benefit the farmers through value addition. A large number of milk processing units set up under the Operation Flood Programme has since become old and obsolete. A Dairy Processing and Infrastructure Development Fund would be set up in NABARD with a corpus of Rs. 8,000 crores over 3 years. Initially, the Fund will start with a corpus of Rs. 2,000 crores.

g) Currently milk cooperatives convert about 20% of milk procurement into conventional & other Value Added Products.

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